Tree.com, Inc. Form 8-K/A April 17, 2012

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 24, 2012

Tree.com, Inc.

(Exact name of registrant as specified in charter)

Delaware (State or other jurisdiction of incorporation)

001-34063 (Commission File Number)

26-2414818 (IRS Employer Identification No.)

11115 Rushmore Drive, Charlotte, NC (Address of principal executive offices)

28277 (Zip Code)

Registrant s telephone number, including area code: (704) 541-5351

Not Applicable

(Former name or former address, if changed since last report)

	he appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of owing provisions:
o	Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
0	Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
0	Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
0	Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On February 24, 2012, we announced financial results for the fourth quarter ended December 31, 2011 and furnished the related press release as Exhibit 99.1. On April 16, 2012, we filed our annual report on Form 10-K for the year ended December 31, 2011. The financial statements included in the Form 10-K (including the notes to such financial statements) reflect revisions to certain of the financial results reported in the February 24, 2012 press release, which revisions also affect certain of the non-GAAP measures included in the press release.

The revisions reflect that we recorded in the second quarter 2011 a non-cash \$29.0 million impairment of indefinite-lived intangible assets, reflected in continuing operations, and in the fourth quarter 2011 an additional \$1.2 million of loan loss reserves, reflected in discontinued operations. The February 24, 2012 press release had indicated a \$5.9 million impairment of indefinite-lived intangible assets in the fourth quarter 2011. Because we have recorded the larger impairment in the second quarter 2011, there is no further impairment in the fourth quarter 2011 in the revised financial results. Please see our Form 8-K filed April 16, 2012 with disclosure on Item 4.02 for further information.

The below disclosure corrects the financial information included in the February 24, 2012 press release to reflect these revisions. The below repeats the full year 2012 guidance contained in the February 24, 2012 press release, which is reaffirmed by this report on Form 8-K/A.

New Non-GAAP Adjusted Exchanges Results

Because Tree.com s accounting policies do not recognize revenue for leads generated by the Exchanges business that are provided to LendingTree Loans, the Company is providing new metrics designed to give investors a view into what the results might have been if the Company did not operate LendingTree Loans. We will continue to report these metrics for future periods pending the sale of assets of Home Loan Center.

Tree.com 2011 Exchanges Metrics (1)

\$s in millions

	Q1				Q2			Q3				Q4				
	(SAAP	A	djusted	(GAAP	A	Adjusted	(GAAP	Α	Adjusted	(GAAP	A	djusted
Revenue																
Mortgage (2)	\$	10.0	\$	20.0	\$	12.4	\$	20.2	\$	9.2	\$	15.6	\$	6.8	\$	14.1
Non Mortgage	\$	3.9	\$	3.9	\$	4.5	\$	4.5	\$	3.9	\$	3.9	\$	3.9	\$	3.9
Total Exchanges revenue	\$	13.9	\$	23.9	\$	16.9	\$	24.7	\$	13.1	\$	19.5	\$	10.7	\$	18.0
Non Mortgage %		28%		169	%	27%)	189	%	30%		209	%	36%		22%
Selling and marketing expense																
Exchanges marketing expense (3)	\$	14.6	\$	20.0	\$	13.9	\$	18.4	\$	7.5	\$	10.7	\$	6.2	\$	8.5
Other Marketing	\$	1.0	\$	1.0	\$	1.4	\$	1.4	\$	1.0	\$	1.0	\$	1.2	\$	1.2
Selling and marketing expense	\$	15.5	\$	20.9	\$	15.2	\$	19.8	\$	8.5	\$	11.8	\$	7.4	\$	9.7
Variable marketing margin (4)	\$	(0.6)	\$	3.9	\$	3.1	\$	6.3	\$	5.6	\$	8.8	\$	4.4	\$	9.5
Variable marketing margin % of																
revenue		-5%		16%	6	18%		269	6	43%		459	6	42%		53%
Net Income from Continuing																
Operations	\$	(16.1)		N/A	\$	(25.1)		N/A	\$	(3.4)		N/A	\$	(5.1)		N/A
Adjusted Exchanges EBITDA (5)		N/A	\$	(4.2)		N/A	\$	(2.3)		N/A	\$	2.3		N/A	\$	3.3
Adjusted EBITDA % of revenue		N/A		-189	6	N/A		-9%	6	N/A		129	6	N/A		18%

⁽¹⁾ Adjusted Exchanges mortgage revenue, total adjusted Exchanges revenue, adjusted Exchanges marketing expense, variable marketing margin, variable marketing margin % of revenue, adjusted Exchanges EBITDA and adjusted EBITDA % of revenue are non-GAAP measures. Please see Tree.com s Reconciliation of Non-GAAP Measures to GAAP and Tree.com s Principles of Financial Reporting below for more information on these non-GAAP measures.

- (3) Adjusted Exchanges marketing expense is defined as the portion of selling and marketing expense attributable to the current Exchanges business for variable costs paid for advertising, direct marketing and related expenses, plus selling and marketing expense allocated to LendingTree Loans and recorded in discontinued operations. This metric excludes overhead, fixed costs and personnel-related expenses.
- (4) Variable marketing margin is defined as total Exchanges revenue minus Exchanges marketing expense
- (5) Adjusted Exchanges EBITDA is defined as Adjusted EBITDA from continuing operations, plus modeled revenue for leads provided to LendingTree Loans, minus Exchanges selling and marketing expense allocated to LendingTree Loans and recorded in discontinued operations.

⁽²⁾ Adjusted Exchanges mortgage revenue is defined as revenue from the Exchanges mortgage vertical plus modeled revenue for leads provided to LendingTree Loans assuming sale prices for such leads equaled sale prices of leads of similar quality sold to network lenders. Accordingly, this measure also assumes lender demand on the network would have been sufficient to absorb the additional lead volume without affecting the prices of the leads actually sold. Please see Tree.com s Principles of Financial Reporting for further explanation of this metric.

Full Year 2012 Guidance

We are entering 2012 with momentum and focus. Marketing has gained significant efficiencies in recent quarters, our fixed costs are in line, and we are projecting positive adjusted Exchanges EBITDA for 2012, said Tree.com SVP of

Financial Planning & Analysis, Tamara Kotronis. We believe the second half of 2011 is indicative of the current interest rate environment; therefore, we are issuing guidance of net income from continuing operations of \$3-\$4 million and adjusted Exchanges EBITDA of \$8-\$12 million.

Additionally, the Company is projecting a cash balance after the close of the sale of the Home Loan Center Assets and wind-down of the remaining business of approximately \$50 million. This estimate is subject to uncertainties including the timing of closing, the Company s results of operations through closing, litigation-related payments, the effects of restructuring, unplanned capital expenditures, proceeds from sale of loans held for sale and related derivative positions, and changes in loan loss reserves, any of which may cause the actual cash balance to be substantially different.

Other Tree.com Summary Financial Results

Tree.com Summary Financial Results

\$s in millions (except per share amounts)

		M 2011	02 2011	Q/Q	04 2010	Y/Y
Revenue	,	24 2011	Q3 2011	% Change	Q4 2010	% Change
From Continuing Ops	\$	10.7	\$ 13.1	(19)%\$	11.9	(10)%
From Discontinued Ops	\$	36.0	\$ 37.6	(4)% \$	39.3	(8)%
Total Revenue	\$	46.7	\$ 50.7	(8)%\$	51.2	(9)%
				(3) 11		()
Adjusted EBITDA *						
From Continuing Ops	\$	(1.4)	\$ (0.5)	(174)% \$	(6.7)	79%
From Discontinued Ops	\$	6.4	\$ 9.6	(33)% \$	7.3	(12)%
Total Adjusted EBITDA	\$	5.0	\$ 9.1	(45)%\$	0.6	717%
EBITDA *						
From Continuing Ops	\$	(3.2)	\$ (2.2)	(48)% \$	(8.8)	64%
From Discontinued Ops	\$	6.3	\$ 9.0	(30)% \$	(3.4)	NM
Total EBITDA	\$	3.1	\$ 6.8	(55)%\$	(12.2)	NM
Net Income/(Loss)						
Net Loss from Continuing Ops	\$	(5.1)	\$ (3.4)	(50)% \$	(8.4)	39%
Net Income/(Loss) from Discontinued Ops	\$	6.3	\$ 16.7	(62)% \$	(4.1)	NM
Net Income/(Loss)	\$	1.2	\$ 13.3	(91)%\$	(12.5)	NM
Net Income/(Loss) Per Share	\$	0.11	\$ 1.21	(91)%\$	(1.12)	NM
Diluted Net Income/(Loss) Per Share	\$	0.11	\$ 1.20	(91)%\$	(1.12)	NM
From Continuing Operations:						
Net Loss Per Share	\$	(0.46)	 (0.31)	(50)%\$	(0.75)	39%
Diluted Net Loss Per Share	\$	(0.46)	\$ (0.31)	(50)%\$	(0.75)	39%

NM = Not Meaningful

* EBITDA and Adjusted EBITDA are Non-GAAP measures. Please see Tree.com s Reconciliation of Non-GAAP Measures to GAAP and Tree.com s Principles of Financial Reporting below for more information on Adjusted EBITDA

Fourth Quarter 2011 Highlights

Continuing Operations

• Fourth quarter revenue was \$10.7 million, down \$2.4 million, or 19%, from the third quarter 2011, and down \$1.2 million, or 10%, from fourth quarter 2010. The reduction quarter-over-quarter was driven by lower mortgage revenue, as interest rates were generally lower in the fourth quarter leading to lower lender demand for leads. The Company also provided a greater percentage of the Exchanges mortgage lead volume to LendingTree Loans in the fourth quarter compared to the third quarter, resulting in lower reported revenue.

• Net loss from continuing operations was \$5.1 million in the fourth quarter 2011, representing a \$1.7 million decline from the third quarter 2011 and a \$3.3 million improvement from the fourth quarter 2010.
• Adjusted EBITDA in the fourth quarter was a loss of \$1.4 million, a decline from the \$0.5 million Adjusted EBITDA loss in the prior quarter, but a \$5.3 million improvement compared to fourth quarter 2010. The quarter-over-quarter decline was the result of lower revenue which was partially offset by \$1.1 million lower marketing expense. The year-over-year improvement was driven primarily by \$3.7 million lower marketing expense. In a lower interest rate environment, the Company is generally able to reduce marketing expense for customer acquisition.
• Adjusted Exchanges revenue was down 8% in the fourth quarter compared to the prior quarter, primarily attributable to lower mortgage revenue reflecting lower lender demand due to lower interest rates.
• Adjusted Exchanges variable marketing margin % increased to 53% in the fourth quarter, from 45% in the third quarter, reflecting lower adjusted Exchanges variable marketing expense.
Discontinued Operations
• Net income from discontinued operations was \$6.3 million in the fourth quarter 2011.
• Adjusted EBITDA from discontinued operations in the fourth quarter was \$6.4 million, down \$3.2 million from the third quarter 2011, and down \$0.9 million from the fourth quarter 2010. The decline from the prior quarter was driven by a \$2.6 million increase in cost of revenue at LendingTree Loans. Looking year-over-year, Adjusted EBITDA from discontinued operations was influenced by lower Real Estate revenue and a \$2.0 million increase in cost of revenue compared to the fourth quarter 2010, which was partially offset by \$3.7 million lower marketing expense.
• As of December 31, 2011, LendingTree Loans had three committed lines of credit totaling \$275.0 million of borrowing capacity. In January 2012, one of the committed lines for \$50.0 million expired, bringing total committed capacity down to \$225.0 million. However, a new uncommitted line for \$100.0 million was also added in January 2012, bringing total funding capacity to \$325.0 million.
• The loans held for sale and warehouse lines of credit balances as of December 31, 2011 were \$217.5 million and \$197.7 million, respectively.

Liquidity and Capital Resources

As of December 31, 2011, Tree.com had \$45.5 million in unrestricted cash and cash equivalents, compared to \$10.3 million as of September 30, 2011. During the fourth quarter and for the twelve months of 2011, Tree.com did not purchase any shares under its previously announced \$10 million share repurchase program. The program began in February 2010 and has approximately \$4.3 million of share repurchase authorization remaining.

QUARTERLY FINANCIALS

TREE.COM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

		Three Mor		ed		Year I Decem						
		2011		2010		2011	,	2010				
		(Unau	-									
D	\$	10,666	(In \$	thousands, excep			¢.	50.010				
Revenue Costs and expenses (exclusive of depreciation	Þ	10,000	Þ	11,905	\$	54,617	\$	59,918				
shown separately below)												
Cost of revenue		604		1,326		4,133		5,136				
Selling and marketing expense		7,415		11,161		46,662		51,229				
General and administrative expense		4,693		5,855		19,751		24,500				
Product development		526		933		3,203		3,403				
Litigation settlements and contingencies		525		861		5,732		963				
Restructuring expense		90		62		1,080		2,780				
Amortization of intangibles		104		311		891		1,232				
Depreciation		1,346		920		5,023		3,216				
Asset impairments				539		29,250		540				
Total operating expenses		15,303		20,642		115,725		92,999				
Operating loss		(4,637)		(10,063)		(61,108)		(33,081)				
Other income (expense)												
Interest income								8				
Interest expense		(102)		(78)		(368)		(472)				
Total other expense, net		(102)		(78)		(368)		(464)				
Loss before income taxes		(4,739)		(10,141)		(61,476)		(33,545)				
Income tax benefit (expense)		(363)		1,786		11,766		6,941				
Net loss from continuing operations		(5,102)		(8,355)		(49,710)		(26,604)				
Gain from sale of discontinued operations, net												
of tax						7,752						
Income (loss) from operations of discontinued		ć 2 0.4						o				
operations, net of tax		6,284		(4,104)		(17,545)		8,427				
Income (loss) from discontinued operations		6,284	Φ.	(4,104)		(9,793)		8,427				
Net loss available to common shareholders	\$	1,182	\$	(12,459)	\$	(59,503)	\$	(18,177)				
Weighted average common shares outstanding		11,045		11,076		10,995		11,014				
Weighted average diluted shares outstanding		11,045		11,076		10,995		11,014				
Net loss per share from continuing operations	¢.	(0.46)	¢.	(0.75)	¢.	(4.50)	ф	(2.42)				
Basic	\$ \$	(0.46)	\$ \$	(0.75)	\$	(4.52)	\$	(2.42)				
Diluted Net loss per share available to common	\$	(0.46)	\$	(0.75)	\$	(4.52)	\$	(2.42)				
shareholders												
Basic	\$	0.11	\$	(1.12)	\$	(5.41)	\$	(1.65)				
Diluted	\$	0.11	\$	(1.12)	\$	(5.41)	\$	(1.65)				
			6									

TREE.COM, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	Ι	December 31, 2011 (In thousan par value : amou	ds, exce	•
ASSETS:				
Cash and cash equivalents	\$	45,541	\$	68,819
Restricted cash and cash equivalents		12,451		8,155
Accounts receivable, net of allowance of \$86 and \$131, respectively		5,474		3,564
Prepaid and other current assets		1,060		1,043
Current assets of discontinued operations		232,425		130,701
Total current assets		296,951		212,282
Property and equipment, net		8,375		7,598
Goodwill		3,632		3,632
Intangible assets, net		11,189		41,319
Other non-current assets		246		116
Non-current assets of discontinued operations		10,947		17,855
Total assets	\$	331,340	\$	282,802
LIABILITIES:				
Accounts payable, trade	\$	9,072	\$	6,562
Deferred revenue		176		312
Deferred income taxes		4,335		2,358
Accrued expenses and other current liabilities		16,712		23,881
Current liabilities of discontinued operations		250,030		118,220
Total current liabilities		280,325		151,333
Income taxes payable		7		96
Other long-term liabilities		4,070		3,168
Deferred income taxes		435		13,962
Non-current liabilities of discontinued operations		1,032		12,422
Total liabilities		285,869		180,981
Commitments and contingencies				
SHAREHOLDERS EQUITY:				
Preferred stock \$.01 par value; authorized 5,000,000 shares; none issued or outstanding				
Common stock \$.01 par value; authorized 50,000,000 shares; issued 12,169,226 and				
11,893,468 shares, respectively, and outstanding 11,045,965 and 10,770,207 shares,				
respectively		121		118
Additional paid-in capital		911,987		908,837
Accumulated deficit		(858,105)		(798,602)
Treasury stock 1,123,261 shares		(8,532)		(8,532)
Total shareholders equity		45,471		101,821
Total liabilities and shareholders equity	\$	331,340	\$	282,802

TREE.COM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

		2011	Year I Decem	ber 31,	2010
Cash flows from operating activities attributable to continuing operations:			(In tho	usanas)	
Net loss	\$	(5	(9,503)	\$	(18,177)
Less (income) loss from discontinued operations, net of tax	Ψ		9,793	Ψ	(8,427)
Net loss from continuing operations			9,710)		(26,604)
Adjustments to reconcile net loss from continuing operations to net cash used in operating		(-	,,,10)		(20,004)
activities attributable to continuing operations:					
Loss on disposal of fixed assets			311		85
Amortization of intangibles			891		1,232
Depreciation			5.023		3,216
Intangible impairment		7	29.250		540
Non-cash compensation expense		2	3,777		3,104
Non-cash restructuring expense			3,111		93
Non-cash contingent consideration gain			(652)		(928)
Deferred income taxes		(1	1,551)		(6,943)
Bad debt expense		(1	55		24
Changes in current assets and liabilities:			33		27
Accounts receivable			(1,964)		2,443
Prepaid and other current assets		<u>'</u>	(148)		225
Accounts payable and other current liabilities			(4,376)		(10,057)
Income taxes payable		,	(309)		(610)
Deferred revenue			(136)		(64)
Other, net			1,487		2,612
Net cash used in operating activities attributable to continuing operations		(2	28,052)		(31,632)
Cash flows from investing activities attributable to continuing operations:		(2	20,032)		(31,032)
Capital expenditures			(6,110)		(5,123)
Acquisitions		,	(0,110)		(250)
Other, net			(1,981)		2,193
Net cash used in investing activities attributable to continuing operations			(8,091)		(3,180)
Cash flows from financing activities attributable to continuing operations:		`	(0,0)1)		(3,100)
Issuance of common stock, net of withholding taxes			(962)		(570)
Purchase of treasury stock			(>0=)		(8,532)
Increase in restricted cash		((2,325)		(50)
Net cash used in financing activities attributable to continuing operations			(3,287)		(9,152)
Total cash used in continuing operations			9,430)		(43,964)
Net cash provided by (used in) operating activities attributable to discontinued operations			31,723)		6,651
Net cash provided by (used in) investing activities attributable to discontinued operations		(-	839		(2,103)
Net cash provided by financing activities attributable to discontinued operations		Ç	7,036		22,142
Total cash provided by discontinued operations			6,152		26,690
Net decrease in cash and cash equivalents			23,278)		(17,274)
Cash and cash equivalents at beginning of period			8,819		86,093
Cash and cash equivalents at end of period	\$		5,541	\$	68,819

TREE.COM S RECONCILIATION OF NON-GAAP MEASURES TO GAAP (\$ in thousands):

Below is a reconciliation of Adjusted EBITDA to net income (loss) for both continuing operations and discontinued operations.. See
Tree.com s
Principals of Financial Reporting
for further discussion of the Company s use of these Non-GAAP measures.

	N	Aarch 31, 2011		Three Mo June 30, 2011		nded September 30, 2011 irs in thousands)	De	ecember 31, 2011	Year Ended December 31, 2011		
Adjusted EBITDA from continuing	Φ.	(0.41.4)	Φ.	(5.004)	Φ.	(501)	Φ.	(1.405)	Φ.	(15.606)	
operations	\$	(8,414)	\$	(5,336)	\$	(521)	\$	(1,425)	\$	(15,696)	
Adjustments to reconcile to net loss from continuing operations:											
Amortization of intangibles		(307)		(267)		(213)		(104)		(891)	
Depreciation Depreciation		(1,059)		(1,225)		(1,393)		(1,346)		(5,023)	
Restructuring expense		(94)		(398)		(498)		(90)		(1,080)	
Asset impairments		(54)		(29,250)		(490)		(90)		(29,250)	
Loss on disposal of assets				(111)		(99)		(101)		(311)	
Non-cash compensation		(1,120)		(788)		(824)		(1,045)		(3,777)	
Litigation settlements and contingencies		(4,749)									
		(4,749)		(246)		(212)		(525)		(5,732)	
Post acquisition adjustments		(00)		652		(110)		(102)		652	
Other expense, net		(80)		(76)		(110)		(102)		(368)	
Income tax (expense) benefit		(265)		11,931		464		(364)		11,766	
Gain from sale of discontinued											
operations	Φ.	(1 (000)	Φ.	(25.11.1)	Φ.	(2.406)	ф	(5.100)	Φ.	(40.710)	
Net loss from continuing operations	\$	(16,088)	\$	(25,114)	\$	(3,406)	\$	(5,102)	\$	(49,710)	
Adjusted EBITDA from discontinued											
operations	\$	(7,497)	\$	(5,150)	\$	9,584	\$	6,394	\$	3,331	
Adjustments to reconcile to net income											
(loss) from discontinued operations:											
Amortization of intangibles				(35)						(35)	
Depreciation		(595)		(278)						(873)	
Restructuring expense		(2,158)		(3,906)		(509)		6		(6,567)	
Asset impairments		(12,974)								(12,974)	
Loss on disposal of assets						(27)		(35)		(62)	
Non-cash compensation		(181)		(5)		(75)		(77)		(338)	
Litigation settlements and contingencies		(2)		(15)		(4)		(6)		(27)	
Post acquisition adjustments											
Other expense, net											
Income tax benefit											
Gain from sale of discontinued											
operations						7,752				7,752	
Net income (loss) from discontinued											
operations	\$	(23,407)	\$	(9,389)	\$	16,721	\$	6,282	\$	(9,793)	
Adjusted EBITDA from continuing											
operations per above	\$	(8,414)	\$	(5,336)	\$	(521)	\$	(1,425)	\$	(15,696)	
Adjusted EBITDA from discontinued	Ψ	(0,717)	ψ	(3,330)	ψ	(321)	Ψ	(1,723)	ψ	(13,070)	
operations per above		(7,497)		(5,150)		9,584		6,394		3,331	
Total Adjusted EBITDA		(15,911)		(10,486)		9,384		4,969		(12,365)	
Adjustments to reconcile to net income		(13,911)		(10,460)		9,003		4,909		(12,303)	
(loss):											
Amortization of intangibles		(307)		(302)		(213)		(104)		(926)	

Depreciation	(1,654)	(1,503)	(1,393)	(1,346)	(5,896)
Restructuring expense	(2,252)	(4,304)	(1,007)	(84)	(7,647)
Asset impairments	(12,974)	(29,250)			(42,224)
Loss on disposal of assets		(111)	(126)	(136)	(373)
Non-cash compensation	(1,301)	(793)	(899)	(1,122)	(4,115)
Litigation settlements and contingencies	(4,751)	(261)	(216)	(531)	(5,759)
Post acquisition adjustments		652			652
Other expense, net	(80)	(76)	(110)	(102)	(368)
Income tax (expense) benefit	(265)	11,929	464	(364)	11,766
Gain from sale of discontinued					
operations			7,752		7,752
Net income (loss)	\$ (39,495)	\$ (34,505)	\$ 13,315	\$ 1,182	\$ (59,503)

Below is a reconciliation of revenue to adjusted Exchanges revenue, selling and marketing expense to adjusted Exchanges marketing expense, and Adjusted EBITDA from continuing operations (reconciled to operating loss in table above) to Adjusted Exchanges Adjusted EBITDA. See Tree.com s Principles of Financial Reporting for further discussion of the Company s use of these Non-GAAP measures.

(Dollars in thousands)	Qtr 1 2011	Qtr 2 2011	Qtr 3 2011	Qtr 4 2011
Revenue - Continuing Operations	\$ 13,919	\$ 16,931	\$ 13,101	\$ 10,666
Non-Mortgage Revenue	3,896	4,514	3,898	3,883
Mortgage Exchanges Revenue	10,023	12,417	9,203	6,783
Adjustment: Hypothetical Revenue for leads sent to LTL	9,972	7,780	6,429	7,343
Adjusted Mortgage Exchange Revenue	\$ 19,995	\$ 20,197	\$ 15,632	\$ 14,126
Total adjusted Exchanges revenue	\$ 23,892	\$ 24,711	\$ 19,531	\$ 18,009
Selling and Marketing Expense - Continuing Operations	\$ 15,529	\$ 15,242		